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County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

September 14, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

310 AREA CODE OVERLAY

On August 30, 2005, your Board instructed this Office and the County Counsel to investigate, and report back within 14 days, on the courses of action available to your Board, including possible litigation, to respond to the California Public Utilities Commission's (CPUC) vote to create an overlay of the 310 area code with a new 424 area code. This memorandum addresses the legislative options available to your Board in response to the CPUC's decision. County Counsel will report back separately on the legal options available to your Board in this matter.

Legislative Options

In response to the CPUC's decision to create an overlay for the 310 area code, the legislative options available for your Board's consideration are as follows:

- Introduction of a new legislation in January 2006 which would require the CPUC to undertake a new accounting of the 310 area code before a 424 overlay could be put in place. This bill could be drafted to include any area code overlays that have not been fully implemented, including the 310 area code overlay. This legislation would attempt to rescind or reverse the current decision to approve an overlay for the 310 area code in light of the lack of credible evidence that a split is necessary at this time. The last independent audit of phone numbers available in the 310 area was conducted in 2001 before any of the recent and very successful conservation measures were implemented. This legislation would advocate for the completion of a new audit of all numbers in the area code that have not been assigned to a customer or subscriber before any overlay can be implemented.

It must be noted that Assembly Bill 1206 (AB 1206) was unanimously voted down this month by the Senate Energy, Utilities, and Communications Committee. AB 1206 would have required the CPUC to undertake a new telephone number utilization study within 18 months prior to the approval of the new area code. This bill would have applied these provisions to any pending area code decision that has not been fully implemented as of January 1, 2006, which could have been interpreted to include the recently approved 310 area code decision.

- Continued support of Assembly Bill 1380 (AB 1380), the Area Code Conservation and Consumer Protection Act of 2006. Your Board has taken a position of support for this legislation in the form of a memorandum addressed to the CPUC as recently as April 2005. AB 1380, if approved, will create rules for determining the inventory of numbering resources applicable to the telecommunications carriers that hold numbers (codes or blocks within rate centers) in California. The goal of AB 1380 is to avoid the premature exhaustion of an area code by providing carriers a clear and objective method to assess their inventory needs and require the carriers to return or donate surplus numbers for new procedures spelled out in the legislation. AB 1380 was passed by the Legislature and enrolled on September 13, 2005. It has been sent to the Governor.

There is no guarantee that any of these options will result in the 310 area code overlay decision being reversed as the CPUC has been the subject of intense lobbying on the behalf of the telephone carriers. The telephone carriers stand to benefit from the increased income that will be a direct result of more telephone numbers via the area code overlay.

Unless otherwise instructed, we will proceed as recommended above. Please contact me if you have any questions, or your staff may contact Vincent Amerson of this Office at (213) 974-1168 or at vamerson@cao.co.la.ca.us.

DEJ:MKZ
VLA:os

c: Executive Officer, Board of Supervisors
County Counsel
Director of Internal Services